



# PRESS RELEASE

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## **USAID AND BANCO DE AMERICA CENTRAL SIGN AGREEMENT**

**SAN SALVADOR**— Representatives of the Financial Services for Small and Medium Enterprises (SMEs) Program of the U.S. Agency for International Development (USAID) signed today a memorandum of understanding with Banco de America Central (BAC).

Through USAID's support as defined in the memorandum, BAC will be strengthened to improve SMEs' access to new and better financial services. The USAID program will support BAC's efforts to improve its customer service for SME's and special risk evaluations required to establish an efficient and timely system of banking services.

As the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) offers new development opportunities to SMEs, the USAID program will strengthen BAC's capacity to increase the number of small and medium customers and improve products and sales systems for internal and external markets.

The program, which also supports five other commercial banks and the Federacion de Cajas de Credito (FEDECREDITO), fosters the creation of a new customer service culture on behalf of SMEs, and the development of new products and services that better serve their needs. Through technical assistance and training, the program will increase financial institutions' productivity in SME service, providing them with appropriate technology for an efficient service to these underserved markets. The program will also work with two non-bank financial institutions to help them become regulated entities within two years.

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